



## **Lessons from Kaiser Permanente**

### ***Improving performance and engagement in healthcare***

On 15th June representatives from Acas, the IPA, NHS Acute Trusts and PCTs, NHS Employers, Royal Colleges and Universities took part in a *Workplace Innovation* Workshop which focused on a question of key relevance to the future of healthcare: "how do you involve and engage NHS staff in ways that lead to tangible benefits in patient care and organisational performance?"

Guest speaker **John August (Executive Director, Coalition of Kaiser Permanente Unions)** led a lively and informative discussion on how collaborative working relationships between management, unions and staff at US healthcare provider Kaiser Permanente create sustained improvements in quality of patient care.

KP has received a great deal of attention within the NHS for its high standards of patient care, particularly in the integration of primary and acute services. Less widely reported in the UK is the high level of trade union and employee involvement that underpins these achievements, driving the introduction of multidisciplinary teamworking and other service innovations. Similar stories can be found in several parts of mainland Europe, but in the UK only a small number of NHS Trusts have begun to build systematic approaches that link union and employee involvement to quality improvement and performance. This is despite a growing body of research demonstrating an intimate relationship between quality of patient care and working practices which fully engage frontline health staff in learning, improvement and multidisciplinary teamworking.

#### **Kaiser Permanente - Everybody has a responsibility for business outcomes**

Kaiser Permanente is the largest non profit health care organisation in the US. KP's *Labor Management Partnership* (LMP) involving managers, workers and physicians is the largest and most comprehensive agreement of its kind. The *Labor Management Partnership* was formed in 1997 after years of labour turmoil within Kaiser Permanente combined with growing competitive pressures in the sector. Two years earlier, 26 local unions representing KP workers had joined together in the *Coalition of Kaiser Permanente Unions* to coordinate bargaining strategy more effectively. Kaiser Permanente and the Union Coalition created the LMP as a means of transforming their relationship and the organisation as a whole. Today it covers more than 92,000 union employees, including some 20,000 managers and 16,000 physicians across nine states and Washington D.C.

#### **Value creation begins at the frontline based on commitment, ownership and loyalty.**

Kaiser Permanente aims to fully deploy a team based approach across the whole organisation as the operating model that will distinguish them from their competitors and consistently deliver high-quality, affordable service and care. This is based on the following value principles:

- Kaiser Permanente members and patients emerge as the focus of improved care.
- Frontline providers see their experience and knowledge at work when they engage in collaborative decision making and offer innovative solutions to issues of care.
- Stewards and union co-leads are growing into work-unit leaders.
- Physicians are supported in providing high-quality, compassionate, patient-centred care.
- Managers expand their skills in workplace collaboration, coaching and mentoring.

On a day-to-day basis partnership means that workers, managers and physicians engage in joint decision making and a problem-solving process based on common interests.

### **Kaiser Permanente's *Value Compass***

John August spoke of KP's Value Compass, originally formulated by the LMP to set the direction for improving organisational performance by focusing on subscribing members of the public and patients. The Value Compass is now driving the Corporate Agenda, based on the concept of the balanced score card to maximise performance and so create value:



The four points of the Value Compass place patients and insured members as the central focus:

- Quality - through health outcomes
- Affordability - through cost efficiencies
- Best place to work - through employee voice
- Service quality - the experience of patients and users.

The Value Compass:

- is a decision-making and problem-solving tool, reminding teams to put the patient and his or her needs at the centre of their work;
- provides clarity for the performance improvement efforts of unit-based teams in every region;
- helps small teams support their department's goals and helps departments align with KP's regional and national goals;
- reminds teams to focus on metrics – achieving measurable progress allows sharing of best practices.

## Unit Based Teams as the platform for performance improvement

August argues that the KP structure can be seen in terms of three levels: the **strategic and policy level** provides a platform for whole systems change and continuous improvement, the **meso level** is the locus for union representation and management, and the **microsystems** level comprises *Unit Based Teams* (UBTs) as the basic building block. At this level there is an expectation that everyone will contribute to building the vision for the future direction of the business. Unit Based Teams tap the creativity, skills and experience of their members in a process that consistently engages frontline workers in improving performance.

Unit Based Teams were introduced in 2005 and provide the platform for performance improvement across Kaiser Permanente. A team includes all the participants in a natural work unit or department, including supervisors, union stewards and staff members, physicians, dentists and managers. The team supports the regional business strategy and goals for performance, service quality, efficiency and growth. Because teams increase consistency and standardisation of treatment, they also improve care. A dramatic reduction in sepsis has been attributed to the introduction of UBTs, as has the success of the design and implementation of the integrated IT electronic patient record system.

More than 90,000 employees now work in 34,000 unit-based teams—collaborative work groups that improve performance as part of their ongoing work. The arrangement has been credited not only with improving patient care and satisfaction, but in making Kaiser Permanente a better place to work.

### The basic process elements of Unit Based Teams

**Framing** - creates a consciousness and responsibility within the Unit Based Teams. The case for change centres on understanding the need and consequences of change, and local level partnership is a key factor in creating such a culture. The co-leaders of the UBT comprise a medic, manager and trade union representative who drive process improvement and outcome improvement.

**Learning** - continuous learning enables psychological safety. Asking challenging questions is encouraged and supported.

**Data** - all data is honest, transparent and available to use as a teaching tool across KP. Open and accessible data is fundamental to creating improvements. All patient involvement survey data and feedback is delivered to the teams weekly to enable them to track goals. Improvement work is based on patient outcomes.

**Reflection** is an expected part of day to day activity in all UBTs.

**Goal Setting** leading to improvement in through-put and targets is agreed at local level.

**RIM / PDSA** - resistance to the mechanistic adoption of Six Sigma and Lean from the union side lead to the formulation of KP's *Rapid Improvement Model* and *PDSA* (Plan, Do, Study, Act) as drivers for whole system sustainable change. These embed daily activity within each UBT around the question "how do we know we have improved?"

Members of a unit-based team work collaboratively as partners and participate in:

- Planning and designing work processes.
- Setting goals and establishing metrics.
- Reviewing and evaluating team performance.
- Budgeting, staffing and scheduling.
- Identifying and resolving problems.

UBTs work on:

- Day-to-day operations.
- Work environment.
- Improving performance.
- Initiatives such as workplace safety.
- Work flows and design.

UBTs do not work on:

- Changing Kaiser Permanente's strategic direction.
- Scope of practice.
- Labour relations or contractual issues.
- Legal or regulatory issues.

As more UBTs focus on performance improvement work, they make changes to processes and procedures that have a ripple effect throughout the organisation. An essential part of a leader's role within whole systems thinking is the ability to step back, look at the big picture and assess the impact of decisions and changes on other parts of the organisation. Doing so promotes organisational learning and breaks down silos.

KP believes that significant improvements can be achieved in health care when Unit Based Teams consider how changes affect the entire system. Leaders of Unit Based Teams can coach teams to incorporate systems thinking into their small tests of change and their day-to-day work.

## **Conclusion**

Participants at the workshop spent considerable time and energy debating why, if partnership such as that at KP actually produces better outcomes for patients, organisations and staff, everyone isn't doing it.

Lack of knowledge amongst all the main stakeholders, NHS managers preoccupied with targets and short term thinking, union officials fighting an endless succession of disciplinaries and attacks on employment rights, and "experts" obsessed with the latest management fads all share the blame.

Meanwhile much of the knowledge, experience and public service ethos amongst frontline workers remains untapped as a resource for improving the quality of patient care - and for securing the future of the NHS.

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